

EXAMINER'S BANKING PRACTICES SURVEY

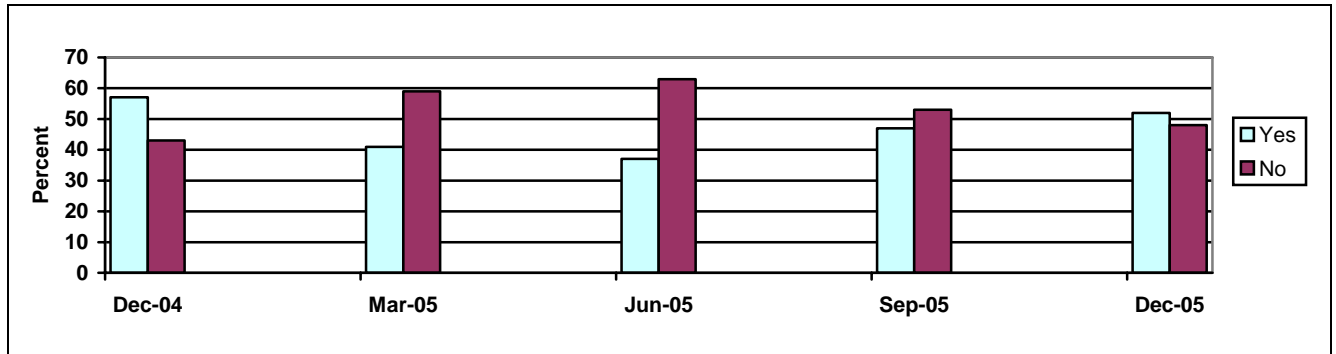
Fourth Quarter 2005

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. **Fourth Quarter 2005** results are compiled from **33** responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "*Significantly*" means growth of 20% or more.



Of yes responses:

Loan Type	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
RE/Const/Land Devel	21%	31%	18%	32%	31%
RE/Agricultural	9%	13%	9%	5%	15%
RE/Commercial/Indust	26%	20%	18%	21%	23%
RE/Residential	10%	13%	12%	13%	10%
Agricultural	6%	8%	4%	11%	8%
Commercial/Industrial	19%	10%	30%	13%	8%
Consumer	9%	5%	9%	5%	5%

2. Is the institution active in making the following types of loans?

	Mar-05		Jun-05		Sep-05		Dec-05	
	Yes 9%	No 91%	Yes 17%	No 83%	Yes 6%	No 94%	Yes 0%	No 100%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	33%		17%		50%		0%	
Dealer paper	67%		33%		50%		0%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	0%		50%		0%		0%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

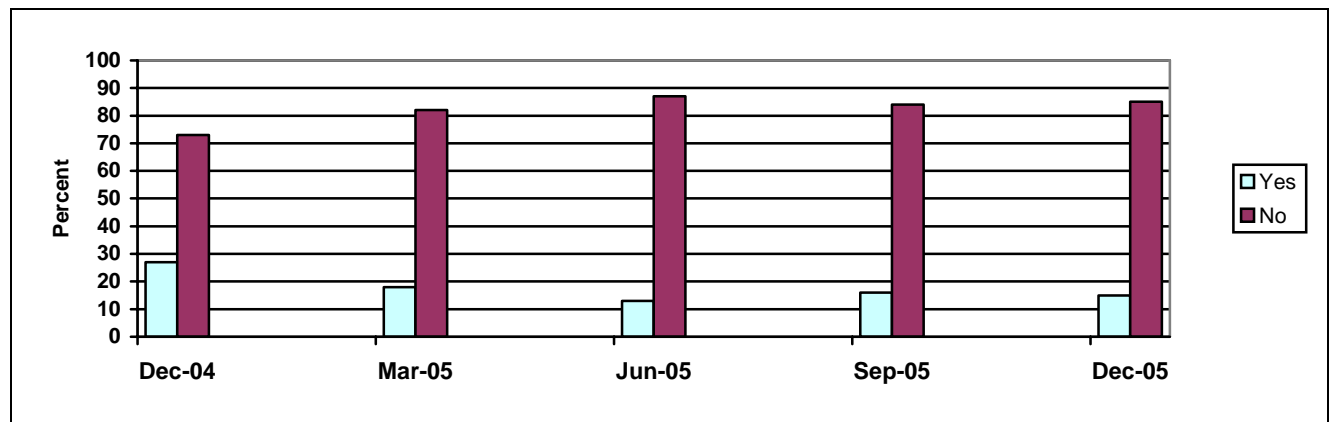
	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Yes	10%	6%	7%	3%	0%
No	90%	94%	93%	97%	100%

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4. Does the institution use credit scoring models for loan decisions?

	Mar-05		Jun-05		Sep-05		Dec-05	
	Yes 15%	No 85%	Yes 20%	No 80%	Yes 19%	No 81%	Yes 15%	No 85%
Of Yes Responses - Loan type								
Credit card	7%		8%		8%		8%	
Consumer	29%		42%		17%		31%	
Residential mortgage	29%		33%		33%		31%	
Small business	21%		17%		25%		23%	
Other	14%		0%		17%		7%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Making collateral based loans?	29%	20%	43%	37%	25%
Reduced collateral margins?	24%	20%	0%	18%	13%
Not requiring cash flow projections?	29%	13%	14%	9%	25%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	18%	27%	43%	27%	13%
Waiving guarantees or other documentation?	0%	7%	0%	0%	13%
Other	0%	13%	0%	9%	11%

6. Describe potential risk in current underwriting practices for:

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Agricultural Loans					
Minimal	83%	82%	90%	78%	76%
Moderate	17%	15%	10%	19%	24%
Substantial	0%	3%	0%	3%	0%
Commercial Loans					
Minimal	67%	68%	70%	56%	67%
Moderate	33%	29%	30%	41%	33%
Substantial	0%	3%	0%	3%	0%
Consumer Loans					
Minimal	87%	82%	77%	88%	88%
Moderate	13%	15%	23%	9%	12%
Substantial	0%	3%	0%	3%	0%
Residential Loans					
Minimal	77%	94%	73%	81%	76%
Moderate	20%	0%	27%	16%	24%
Substantial	3%	6%	0%	3%	0%

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7. Differences between actual lending practices and written policies are:

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Agricultural Loans					
Minimal	87%	94%	97%	84%	97%
Moderate	10%	6%	3%	16%	3%
Substantial	3%	0%	0%	0%	0%
Commercial Loans					
Minimal	67%	74%	83%	75%	76%
Moderate	30%	26%	17%	22%	24%
Substantial	3%	0%	0%	3%	0%
Consumer Loans					
Minimal	90%	85%	93%	94%	94%
Moderate	7%	15%	7%	6%	6%
Substantial	3%	0%	0%	0%	0%
Residential Loans					
Minimal	83%	88%	97%	84%	85%
Moderate	10%	12%	3%	16%	15%
Substantial	7%	0%	0%	0%	0%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Carryover Debt					
Minimal	90%	88%	97%	84%	85%
Moderate	10%	12%	3%	16%	15%
Substantial	0%	0%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	93%	88%	93%	97%	85%
Moderate	7%	12%	7%	3%	12%
Substantial	0%	0%	0%	0%	3%
Drop in Land Values					
Minimal	87%	82%	90%	81%	76%
Moderate	10%	18%	10%	16%	21%
Substantial	3%	0%	0%	3%	3%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

	Mar-05		Jun-05		Sep-05		Dec-05									
No. Banks with Inc/(Dec) in ratio (%)	+	61%	-	39%	+	48%	-	52%	+	60%	-	40%	+	58%	-	42%
Average Inc/(Dec)in Ratio		8.1		(8.0)		10.5		(6.3)		9.4		(9.0)		9.6		(6.9)
Cause of Increase																
Eased underwriting standards		8%		18%		4%		4%		8%		15%		42%		8%
Deterioration in new loans		8%		27%		9%		15%		65%		41%		0%		5%
Deterioration in older loans		65%		41%		61%		42%		4%		0%		11%		5%
Participations or out-of-territory		4%		0%		0%		8%		4%		0%		4%		0%
Economic conditions		11%		5%		4%		15%		4%		0%		0%		4%
Changes in lending personnel		4%		0%		0%		0%		0%		4%		0%		4%
New types of lending activity		0%		0%		4%		4%		0%		18%		12%		12%
Other		0%		9%		18%		12%								

10. Estimate loan classifications at this examination into the following types:

Loan Type	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
RE/Const/Land Development	8%	2%	7%	9%	25%
RE/Agriculture	5%	8%	3%	6%	3%
RE/Commercial/Industrial	27%	42%	36%	37%	25%
RE/Residential	30%	14%	26%	25%	26%
Agricultural	4%	4%	2%	3%	3%
Commercial/Industrial	22%	24%	22%	14%	12%
Consumer	4%	6%	4%	6%	6%

Ratios from March 2005 and forward are weighted by dollar volume of classified loans for all respondents. Prior ratios are an average of percentages from each bank (not dollar weighted).

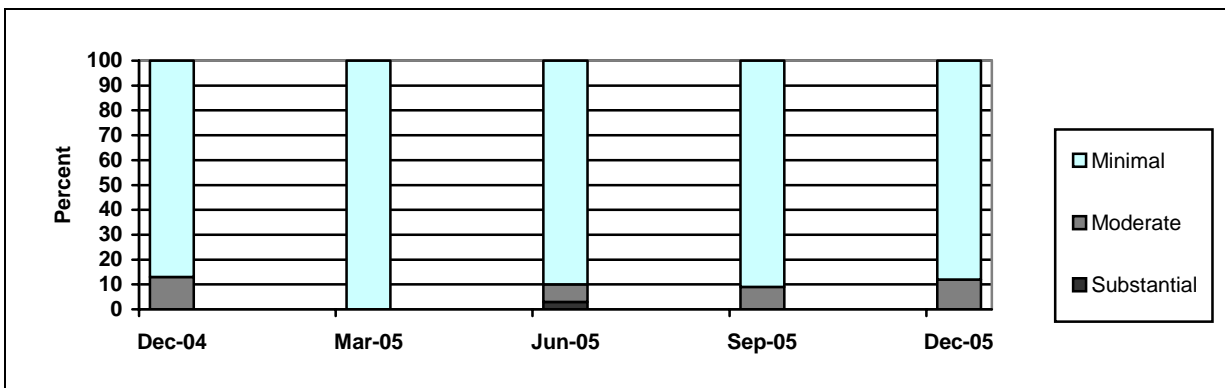
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INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Yes	0%	0%	0%	0%	0%
No	100%	100%	100%	100%	100%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Yes	90%	79%	87%	87%	73%
No	10%	21%	13%	13%	27%
If yes, does the bank actively borrow from the FHLB?					
Yes	89%	70%	77%	89%	75%
No	11%	30%	23%	11%	25%

14. Does the bank hold off-balance sheet derivatives?

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Yes	0%	0%	3%	3%	0%
No	100%	100%	97%	97%	100%

15. List nontraditional activity the institution is engaged in.

	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05
Yes	87%	71%	77%	75%	70%
No	13%	29%	23%	25%	30%
Of those that do:					
Nondeposit Investment Sales	24%	25%	26%	21%	23%
Insurance Sales	6%	14%	10%	11%	17%
Real Estate Loan Secondary Market Sales	24%	21%	26%	23%	21%
Non-transactional Web Site	14%	3%	2%	9%	9%
Transactional Web Site	32%	35%	36%	36%	26%
Other	0%	2%	0%	0%	4%